

Senate File 240 - Introduced

SENATE FILE 240
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO SSB 1141)

A BILL FOR

1 An Act authorizing the college student aid commission to
2 organize a nonprofit corporation to provide Iowans with
3 postsecondary educational financial assistance.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 261.8 Corporation for educational
2 financial assistance.

3 1. *Nonprofit corporation for receiving and disbursing*
4 *funds.* The college student aid commission may organize a
5 corporation under the provisions of chapter 504 that qualifies
6 under section 501(c)(3) of the Internal Revenue Code as an
7 organization exempt from taxation for the purpose of receiving
8 and disbursing funds from public or private sources to be used
9 to provide Iowans with educational financial assistance under
10 programs administered by the commission. Unless otherwise
11 provided in this section, the corporation is subject to the
12 provisions of chapter 504.

13 2. *Incorporators.* The incorporators of the corporation
14 organized pursuant to this section shall be the chairperson of
15 the commission, the executive director of the commission, and
16 a member of the commission selected by a majority vote of the
17 commission.

18 3. *Board of directors.* The board of directors of the
19 corporation organized pursuant to this section shall be the
20 members of the commission appointed under section 261.1,
21 subsection 2, paragraph "d", or their successors in office.

22 4. *Accepting grants in aid.* The corporation organized
23 pursuant to this section may accept grants of money or property
24 from the federal government or private sources and may upon
25 its own order use its money, property, or other resources for
26 purposes of providing educational financial assistance under
27 programs administered by the commission.

28 5. *Open meetings and open records.* The corporation is
29 subject to chapters 21 and 22.

30 6. *Status.* The corporation shall collaborate with the
31 commission for the purposes specified in this section, but the
32 corporation shall not be considered, in whole or in part, an
33 agency, department, or administrative unit of the state. The
34 corporation shall not receive appropriations from the general
35 assembly. Except as provided in subsection 5, the corporation

1 shall not be required to comply with any requirements that
2 apply to a state agency, department, or administrative unit and
3 shall not exercise any sovereign power of the state.

7. *No state liability.* The corporation does not have authority to pledge the credit of the state, and the state shall not be liable for the debts or obligations of the corporation. All debts and obligations of the corporation shall be payable solely from the corporation's funds.

9 8. *Tax deductible.* The corporation shall be established
10 so that donations and bequests to it qualify as tax deductible
11 under state income tax laws and under section 501(c)(3) of the
12 Internal Revenue Code.

13 9. *Staffing and administrative support.* The commission
14 shall provide staff assistance and administrative support to
15 the corporation.

16 10. *Report.* The corporation shall submit by January 15
17 annually a written report of its activities and operations to
18 the governor, the general assembly, and the commission.

EXPLANATION

20 This bill authorizes the college student aid commission to
21 organize a corporation under Iowa's revised Iowa nonprofit
22 corporation Act that qualifies under section 501(c)(3) of
23 the Internal Revenue Code as a tax-exempt organization. The
24 corporation must be organized for the purpose of receiving and
25 disbursing funds from public or private sources to be used to
26 provide Iowans with educational financial assistance under
27 programs administered by the college student aid commission in
28 accordance with Code chapter 261.

29 The incorporators of the corporation shall be the
30 chairperson of the commission, the executive director of the
31 commission, and a member of the commission selected by a
32 majority vote of the commission. The board of directors of
33 the corporation shall be the eight members of the commission
34 appointed by the governor or their successors in office.

35 The corporation may accept grants of money or property

1 from the federal government or private sources and may upon
2 its own order use its money, property, or other resources for
3 purposes of providing educational financial assistance under
4 programs administered by the college student aid commission in
5 accordance with Code chapter 261.

6 The corporation is subject to the open meetings and open
7 records laws in Code chapters 21 and 22, but the corporation
8 shall not otherwise be required to comply with any requirements
9 that apply to a state agency, department, or administrative
10 unit and shall not exercise any sovereign power of the state.
11 The corporation shall collaborate with the commission for the
12 purposes specified in the bill, but shall not be considered an
13 agency, department, or administrative unit of the state, nor
14 shall it receive appropriations from the general assembly. The
15 corporation shall be established so that donations and bequests
16 to it qualify as tax deductible under federal and state income
17 tax laws.

18 The corporation does not have authority to pledge the credit
19 of the state, and the state shall not be liable for the debts or
20 obligations of the corporation.

21 The commission shall provide staff assistance and
22 administrative support to the corporation. The corporation
23 shall submit a written report annually of its activities and
24 operations to the governor, the general assembly, and the
25 commission.